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**USWEST**

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Executive Director - Markets  
Federal Regulatory Strategy

November 23, 1999

RECEIVED  
NOV 23 1999  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 - 12<sup>th</sup> Street, SW, TW-A325  
Washington, DC 20554

RE: U S WEST Cost Allocation Manual Revisions

Dear Ms. Salas:

In accordance with FCC Order in CC Docket No. 97-172, released September 27, 1999, U S WEST hereby files its Cost Allocation Manual (CAM) revisions to reflect the appropriate treatment of national directory assistance service.

U S WEST is serving a copy of these revisions upon the attached service list. Acknowledgment and date of receipt of this submission are requested. A duplicate of this letter is attached for this purpose.

Please call if you have any questions.

Sincerely,



Attachments

No. of Copies rec'd  
List ABCDE

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U S WEST  
TRANSMITTAL LETTER MATRIX  
CAM CHANGES  
NOVEMBER 24, 1999

SECTION/ PAGES	CHANGE FROM	CHANGE TO	REASON FOR CHANGE	QUANTIFICATION WHEN REQUIRED
II DESCRIPTION OF NONREGULATED ACTIVITIES				

II-6	I. INFORMATION SERVICES "...E-911 information services, and consultation."	"...E-911 information services, consultation, and National Directory Assistance."	Per CC Docket 97-172 Memorandum Opinion and Order of September 27, 1999, modified description of Information Services to include National Directory Assistance	NA
II-7		I3. NATIONAL DIRECTORY ASSISTANCE U S WEST will provide National Directory Assistance (NDA) service to its local service customers and to other carriers. This service will provide callers published and non-listed telephone number information outside of the customers' NPA or LATA whichever is greater.	Added description of NDA service.	NA

VI COST ALLOCATION TABLE				
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VI-23	NA	Added Account 2212, Digital Electronic Switching - National Directory Assistance Cost Pool.	Added cost pool to allocate National Directory Assistance investment between regulated and nonregulated operations.	This change results in an estimated annual decrease in regulated operations of approximately \$10,700,000.
VI-26	NA	Added Account 2220, Operator Systems - Other Cost Pool.	Added cost pool to allocate Operator Services investment between regulated and nonregulated operations.	This change results in an estimated annual decrease in regulated operations of approximately \$7,900,000.

U S WEST  
TRANSMITTAL LETTER MATRIX  
CAM CHANGES  
NOVEMBER 24, 1999

SECTION/ PAGES	CHANGE FROM	CHANGE TO	REASON FOR CHANGE	QUANTIFICATION WHEN REQUIRED
VI-63	NA	Added Account 6212, Digital Electronic Switching - National Directory Assistance Cost Pool.	Added cost pool to allocate National Directory Assistance expenses between regulated and nonregulated operations.	This change results in an estimated annual decrease in regulated operations of less than \$1,000,000.
VI-65	Account 6220, Operator Systems Exp Regulated	Assigned based on "Relative Regulated/ Nonregulated actual Operator Services call volumes."	Change method of assignment to allocate Operator Services Expenses between regulated and nonregulated operations.	This change results in an estimated annual decrease in regulated operations of less than \$1,000,000.
VI-88	Account 6622, Number Services Exp Directory Expense	Regulated	Changed Cost Pool description.	See Directory Assistance Cost Pool below.
	NA	Nonregulated	Added cost pool.	See Directory Assistance Cost Pool below.
	Number Services Expense	Directory Assistance Operations	Change method of assignment to allocate Operator Services Expenses between regulated and nonregulated operations.	This change results in an estimated annual decrease in regulated operations of approximately \$29,900,000.

## G. INFORMATION STORAGE, FORWARD AND RETRIEVAL SYSTEM

The following services are being offered or in the process of being offered by U S WEST:

- Voice Messaging Services
- Voice Service Bureau
- Electronic Messaging Services

### G1. VOICE MESSAGING SERVICES

Voice Messaging services will allow subscribers to leave, direct and retrieve voice messages.

U S WEST's offerings may consist of both wholesale and retail-based services. Depending on the voice message/mail equipment available, various enhanced features will be made available to voice messaging customers -- including redirect, group broadcast, future delivery, reply, skip back or ahead, message scan, and pause features. Voice messaging subscribers may record messages for later retrieval by or delivery to one or more individuals designated by the sender. All enhanced features and functions of the voice messaging services described herein will be provided via equipment separate and distinct from equipment utilized to provide basic network services.

### G2. VOICE SERVICE BUREAU

The Voice Service Bureau is a computer based interactive voice storage, retrieval, and response system that allows multiple independent Information Providers (IPs) to store voice programs for use by their customers (end users). The system connects to telephone lines and answers calls with an initial voice message and a menu to which an end user can interact to gain access to voice programs of the IP.

An IP can select their own dedicated network access arrangement or can be part of the service shared by multiple IP's. The shared system allows an IP to have their own independent program which is listed on the initial voice menu(s) provided to the end user.

### G3. ELECTRONIC MESSAGING SERVICES

Electronic Messaging Services include Electronic Mail, Message Transfer Service, and Electronic Data Interchange.

Electronic Mail allows end users with electronic terminals or PC's with modems the ability to lease/purchase mailbox functions, typically offered by closed system office automation services, on a public basis.

Message Transfer services provide message transfer capabilities between User Agents. User Agents can submit messages to the Message Transfer Service for delivery to other User Agents.

Electronic Data Interchange provides automated computer-to-computer exchange of structured business documents between an enterprise and its vendor, customers, or other trading partners.

### H. BILLING AND COLLECTION

Billing and Collection services are provided for nonaffiliated third parties, such as information providers. These services could include bill processing and production, as well as payment processing, collection and inquiry. These services do not include Billing and Collection services to interexchange carriers.

### I. INFORMATION SERVICES

These services involve the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing or making available information. Service covered by this section include audiotex services, enhanced facsimile services, on-line data base access services, E-911 information services, consultation, and **National Directory Assistance**.

### II. ENHANCED FACSIMILE SERVICES

Facsimile services provide customers with a wide range of FAX capabilities which enable customers to communicate via FAX beyond the traditional send/receive only mode. Customers are

able to receive FAX mail at a private "mail box" for later, confidential receipt (and to receive multiple FAX's at one number simultaneously), to broadcast FAX messages to multiple locations, to hold "overflow" FAX messages originally destined to a traditional FAX machine for future delivery, to permit interactions between FAX machines and computers (and among FAX machines), and to otherwise permit customer control of the manner and time of FAX transmission and delivery.

## 12. ON-LINE DATA BASE ACCESS SERVICES

On-line database access services allow customers to store, retrieve and manipulate data stored in U S WEST computers. Data includes information provided by U S WEST as well as customer provided data, and includes both image and data receipt of information by the customer.

## 13. NATIONAL DIRECTORY ASSISTANCE

U S WEST will provide National Directory Assistance (NDA) service to its local service customers and to other carriers. This service will provide callers published and non-listed telephone number information outside of the customers' NPA or LATA, whichever is greater.

## J. CABLE SYSTEM

U S WEST's Telephone subsidiary is providing Cable Service which includes video programming and is offered to multiple subscribers. This service is provided through a facility consisting of a set of closed transmission paths and associated signal generation. The service includes menuing and navigation, billing and collection, content digitization, storage and order processing. This service is a traditional Cable TV Service, and includes basic Cable TV channels, premium Cable TV channels, pay per view movies and events, and on-line service similar to a cable modem service.

## K. TEMPORARY CELLULAR SERVICE

U S WEST Communications may provide temporary cellular service, through resale, to its local exchange customers awaiting the installation of landline telephone service.

#### L. PUBLIC PAY PHONES

This service includes the transport of voice and data traffic over the local switched network for coin and coinless public telephone service for stations that serve as the agent's business line as well as being available to the general public for local and toll calls.

#### M. COMPETITIVE SERVICES-IN REGION, OUT OF SERVING AREA

This Service includes competitive exchange access service and/or competitive local service for "in-region, out of area" locations (i.e. areas within states comprising the U S WEST region where USWC is not currently the incumbent LEC).

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
2121 Buildings (Cont'd)	Regulated - Directly Attributed	This cost pool is formed by a building floor space study.	Directly attributed to Regulated.	Cost associated with portions of buildings which are rented to others and are either Regulated or qualify as incidental to telephone operations.
	Nonregulated - Directly Attributed	This cost pool is formed by a building floor space study.	Directly attributed to Nonregulated.	Cost associated with portions of buildings which house Nonregulated activities that do not qualify as incidental to telephone operations.
	Central Office	This cost pool is formed by a building floor space study.	Indirect Attribution. Central Office Equipment Investment in Accounts 2210 through 2232, excluding investment in central office equipment in buildings directly assigned to Regulated or Nonregulated activities.	Cost associated with portions of buildings which house central office equipment and central office support personnel.
	Distribution Services	This cost pool is formed by a building floor space study.	Indirect Attribution. Current year salaries and wages in Accounts 2310 through 2441 and 6310 through 6441, excluding such salaries and wages associated with personnel who are assigned to buildings that are directly assigned to Regulated or Nonregulated activities.	Cost associated with portions of buildings which house personnel who install, maintain, or support information origination/termination equipment or cable and wire facilities.



USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
2121 Buildings (Cont'd)	Network Operations	This cost pool is formed by a building floor space study.	Indirect Attribution. Current year salaries and wages in Accounts 6110-6124 and 6510-6535, excluding Account 6121 and excluding such wages associated with personnel who are assigned to buildings that are directly assigned to Regulated or non-Regulated activities.	Cost associated with portions of buildings which house personnel who support network operations.
	Customer Operations	This cost pool is formed by a building floor space study.	Indirect Attribution. Current year salaries and wages in Accounts 6610 through 6623, excluding such salaries and wages associated with personnel who are assigned to buildings that are directly assigned to Regulated or Nonregulated activities.	Cost associated with portions of buildings which house personnel who support customer operations.
	Corporate Operations	This cost pool is formed by a building floor space study.	Indirect Attribution. Current year salaries and wages in Accounts 6710 through 6728, excluding such salaries and wages associated with personnel who are assigned to buildings that are directly assigned to Regulated or Nonregulated activities.	Cost associated with portions of buildings which house personnel who support corporate operations.

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
2212 Digital Electronic Switching		The pools of this account are based on direct reporting to Field Reporting Codes. These codes are the lowest level of required detail entered into the accounting systems, and permit aggregation of costs to very specific function-related cost pools. The total of the cost pools shown is equal to the total account.		
	Digital Electronic Switching Common	This cost pool is formed by direct annual analysis of the property records.	Assignment Basis: Projected peak relative Regulated/Nonregulated use.	An assignment ratio is created by dividing Peak Forecasted customer call volumes for Account Recording messages by total Peak Forecasted customer call volumes. Total Peak Forecasted call volumes represent total usage of the identified investment.
	Digital Electronic Switching Regulated	This cost pool is formed by direct annual analysis of the property records.	Directly attributed to Regulated.	
	Digital Electronic Switching National Directory Assistance	This cost pool is formed by direct annual analysis of the property records.	Assignment Basis: Projected peak relative Regulated/Nonregulated call volumes.	An assignment ratio is created by dividing Peak Forecasted customer call volumes for nonregulated Directory Assistance by total Peak Forecasted Directory Assistance call volumes. Total Directory Assistance call volumes represent total usage of identified investment.

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
2212 Digital Electronic Switching (Cont'd)	Digital Electronic Switching Support Investment	This cost pool is formed by a direct annual analysis of the property records.	Assignment Basis: Regulated/ Nonregulated relative assignment of the other pools in this account, computed quarterly.	This cost pool includes investment in power, distributing frames, cable racking and other support investment in Account 2212.
	Public Packet Switching Network Common	This cost pool is formed by direct annual analysis of the property records.	Assignment Basis: Projected Peak relative Regulated/Nonregulated use.	An assignment ratio is created by dividing Peak Forecasted Protocol Converted Kilosegments by Total Peak Forecasted Kilosegments. Total Peak Forecasted Kilosegments is the sum of Peak Forecasted Protocol Converted Kilosegments plus Peak Forecasted Basic Packet Transported Kilosegments and represents total usage of the identified investment.

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
2212 Digital Electronic Switching (Cont'd)	Public Packet Switching Network Regulated	This cost pool is formed by direct annual analysis of the property records.	Directly attributed to Regulated.	
	Other	This cost pool is formed by direct reporting.	Directly assigned to Regulated.	This cost pool supports Equal Access and Network configuration.
	Digital Elec- tronic Switch- ing - Other Investment for Nonregulated Activities	This cost pool is formed by direct reporting.	Directly assigned to Nonregulated.	
	Embedded Tools and Test Sets	This cost pool is formed by direct reporting.	Assignment Basis: Regulated/Non-regulated assignment of the other cost pools in this account.	

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
2215 Electro - Mechanical Switching		This cost pool equals the account.	Directly assigned to Regulated.	
2220 Operator Systems		The pools of this account are based on direct reporting to Field Reporting Codes. These codes are the lowest level of required detail entered into the accounting systems, and permit aggregation of costs to very specific function-related cost pools. The total of the cost pools shown is equal to the total account.		
	<b>Regulated</b>	This cost pool is formed by direct reporting.	Directly assigned to Regulated.	<b>U S WEST does not anticipate any transactions classified to this cost pool.</b>
	<b>Other</b>	This cost pool is formed by direct reporting.	<b>Assignment Basis: Projected peak relative Regulated/Nonregulated use.</b>	<b>An assignment ratio is created by dividing Peak Forecasted customer call volumes for nonregulated Directory Assistance by total Peak Forecasted Operator Services call volumes. Total Operator Services call volumes represent total usage of identified investment.</b>

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
2231 Radio Systems		The pools of this account are based on direct reporting to Field Reporting Codes. These codes are the lowest level of required detail entered into the accounting systems, and permit aggregation of costs to very specific function-related cost pools. The total of the cost pools shown is equal to the total account.		
	Regulated	This cost pool is formed by direct reporting.	Directly assigned to Regulated.	
	Nonregulated	This cost pool is formed by direct reporting.	Directly assigned to Nonregulated.	

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
6211 Analog Electronic Expense (Cont'd)	Other Common	Relative Analog Electronic Switching Investment, Account 2211.	Assignment Basis: Relative Regu- lated/Nonregulated actual usage of the processor.	An assignment ratio is created by dividing customer call volumes for Account Recording Messages by total customer call volumes. This ratio is applied to this cost pool to assign expenses to Account Recording and Regulated/Nonregulated activities. Actual customer call volumes are compiled on a monthly basis. The previous monthly results are used to assign current costs. This cost pool represents expense maintenance related to Digital File Network- Shared COE.
	Other Regulated	Relative Analog Electronic Switching Investment, Account 2211.	Directly attributed to Regulated.	
	Nonregulated - Directly Assigned	This cost pool is formed by direct reporting.	Directly assigned to Nonregulated.	

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
6212 Digital Electronic Expense		The pools of this account are based on direct reporting to Field Reporting Codes and Subaccount detail. These codes are the lowest level of required detail entered into the accounting systems, and permit aggregation of costs to very specific function-related cost pools. The total of the cost pools shown is equal to the total account.		
	Digital Electronic Switching Shared	This pool is formed by direct reporting. This cost pool is apportioned to additional pools based on the Regulated/Nonregulated Assignment of Digital Electronic Switching Shared Investment, Account 2212.		



USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
6212 Digital Electronic Expense (Cont'd)	Digital Electronic Switching Common	Relative Digital Electronic Switching Investment, Account 2212.	Assignment Basis: Relative Reg- ulated/Nonregulated actual usage of the processor.	An assignment ratio is created by dividing customer call volumes for Account Recording Messages by total customer call volumes. This ratio is applied to this cost pool to assign expenses to Account Recording Non- regulated and Regulated activities. Actual customer call volumes are compiled on a monthly basis. The previous month's results are used to assign current costs. This cost pool represents expense related to mainte- nance of the Digital File Network - Shared COE.
	Digital Electronic Switching Regulated	Relative Digital Electronic Switching Investment, Account 2212.	Directly attributed to Regulated.	
	Digital Electronic Switching National Directory Assistance	Relative Digital Electronic Switching Investment, Account 2212.	Assignment Basis: Relative Regulated/Nonregulated actual Directory Assistance call volumes.	An assignment ratio is created by dividing customer call volumes for nonregulated Directory Assistance by total Directory Assistance call volumes. Total Directory Assistance call volumes represent total usage of identified investment.

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
6212 Digital Electronic Expense (Cont'd)	Public Packet Switching Expense - Shared	This pool is formed by direct reporting. This cost pool is apportioned to additional pools based on the Regulated/Common Assignment of Public Packet Switching Network Shared Investment, Account 2212.		
	Public Packet Switching Expense - Common	Relative Public Packet Switching Network Investment, Account 2212.	Assignment Basis: Relative Regulated/Nonregulated actual usage of packet switch transport.	An assignment ratio is created by dividing Protocol Converted Kilosegments transported by Total Packet Switch Kilosegments Transported. This ratio is applied to this cost pool to assign expenses to the Protocol Conversion (Nonregulated) and Basic Packet Switched (Regulated) activities. Actual transport data is compiled on a monthly basis. The previous month's results are used to assign current costs. This cost pool represents expense related to maintenance of the Public Packet Switching Network - Shared COE.
	Public Packet Switching Expense - Regulated	Relative Public Packet Switching Network Investment, Account 2212.	Directly attributed to Regulated.	
	Other	This cost pool is formed by direct reporting.	Directly assigned to Regulated.	This cost pool supports Equal Access and Network Reconfiguration.

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
6212 Digital Electronic Expense (Cont'd)	Other Nonregulated	This cost pool is formed by direct reporting.	Directly assigned to Nonregulated.	
6215 Electro - Mechanical Expense		This cost pool equals the account.	Directly assigned to Regulated.	This cost pool only includes expenses associated with investment Account 2215. Electro - Mechanical Switching which is directly assigned to Regulated.
6220 Operator Systems Expense		This cost pool equals the account.	<b>Assignment Basis: Relative Regulated/Nonregulated actual Operator Services call volumes.</b>	<b>An assignment ratio is created by dividing customer call volumes for nonregulated Directory Assistance by total Operator Services call volumes. Total Operator Services call volumes represent total usage of identified investment.</b>

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
6231 Radio Systems		The pools of this account are based on direct reporting to Field Reporting Codes. These codes are the lowest level of required detail entered in the accounting systems, and permit aggregation of costs to very specific function-related cost pools. The total of the cost pools shown is equal to the total account.		
	Regulated	This cost pool is formed by direct reporting.	Directly assigned to Regulated.	
	Nonregulated	This cost pool is formed by direct reporting.	Directly assigned to Nonregulated.	
6232 Circuit Equipment Expense		The pools of this account are based on direct reporting to Field Reporting Codes and Subaccount detail. These codes are the lowest level of required detail entered into the accounting systems, and permit aggregation of costs to very specific function-related cost pools. The total of the cost pools shown is equal to the total account.		

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
6613 Product Advertising Expense (Cont'd)	Packet Switching	This cost pool is formed by direct reporting.	Assignment Basis: Regulated/Non-regulated assignment indirectly attributed based on total cost pools for PPSN in Accounts 6212 , Digital Electronic Switching, Public Packet Switching.	
	Nonregulated	This cost pool is formed by direct reporting.	Directly assigned to Nonregulated.	
	Regulated	This cost pool is formed by direct reporting.	Directly assigned to Regulated.	
6621 Call Comple- tion Services Expense		The cost pools of this account are based on direct reporting to Sub-account detail. These codes are the lowest level of required detail entered into the accounting systems, and permit aggregation of costs to very specific function-related cost pools. The total of the cost pools shown is equal to the total account.		
	Regulated	This cost pool is formed by direct reporting.	Directly assigned to Regulated.	

USOA ACCOUNT	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR ASSIGNMENT TO REG/NONREG	COMMENTS
6621 Call Comple- tion Services Expense (Cont'd)	Nonregulated	This cost pool is formed by direct reporting.	Directly assigned to Nonregulated.	
6622 Number Services Expense		The cost pools of this account are based on direct reporting to Sub-account detail. These codes are the lowest level of required detail entered into the accounting systems, and permit aggregation of costs to very specific function-related cost pools. The total of the cost pools shown is equal to the total account.		
	Regulated	This cost pool is formed by direct reporting.	Directly assigned to Regulated.	
	Nonregulated	This cost pool is formed by direct reporting.	Directly assigned to Nonregulated.	
	Directory Assistance Operations	This cost pool is formed by direct reporting.	Assignment Basis: Regulated/Non-regulated assignment based on an analysis of Regulated and Nonregulated directory assistance call volumes.	

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